

South Shore Clean Cities Supplemental Environmental Project

Leading the Charge To Change

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Executive Director



- Environmental Protection Agency Consent Decree:
 - Consent Decree entered on July 22, 2011 to help ensure Company is compliant with the Clean Air Act.
 - Work to include Clean Diesel Retrofit (diesel particulate filters, diesel oxidation catalyst, or closed crankcase ventilation systems with DPF or DOC on public equipment & Perhaps Engine Repowers
 - Work to include EV Infrastructure and company will be seeking EPA's approval of Phase I and Phase II expenditures.

Phase I - Three Year Pilot Program

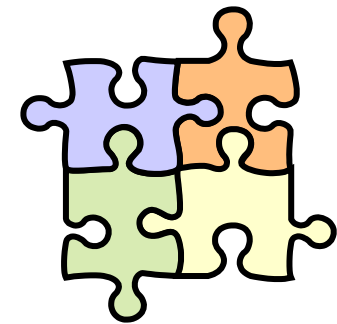


- Residential Home Charging Incentives
 - For first 250 homes - Voucher for up to \$1,650 per customer to facilitate purchase & installation of L2 charging station and necessary home electric upgrades
 - Free charging for PEVs at night (10:00 p.m. to 6:00 a.m. local time)
 - Utility will install an dedicated meter to collect hourly usage data
- Installation of up to 10 public charging stations on Utility property
- Utility fleet purchase of four PEVs and six charging stations

Phase I - PEV Market Penetration Study & Infrastructure Plan



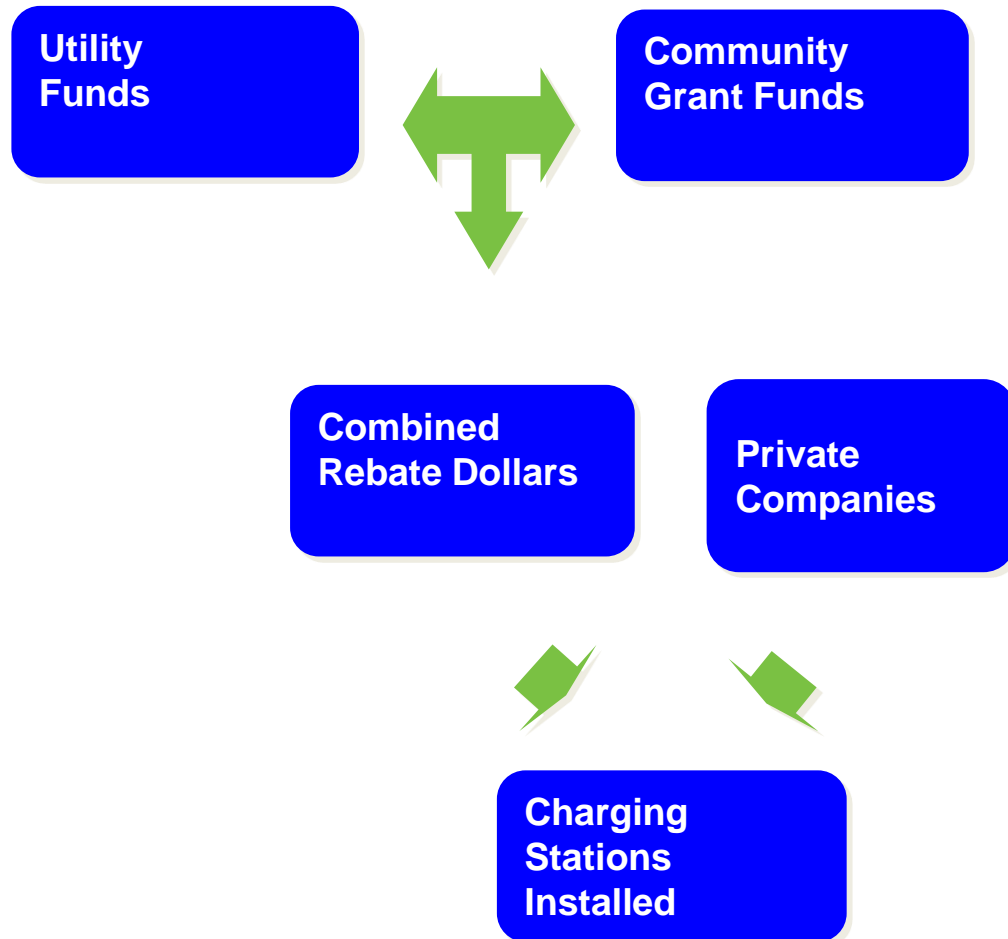
- Market Penetration Study
 - Annual projection of potential PEV sales within twenty-two (22) counties in northern Indiana during the period January 2012 through December 2016.
 - Three scenarios: high, base, and low case
- Infrastructure Plan
 - Infrastructure Plan for the deployment of public charging stations in NIPSCO's electric service territory based on Market Penetration Study.
- Stakeholder Review
 - Work through a collaborative stakeholder process to review findings and gain consensus
 - Use results to assist in potential grant funding



Phase II – Proposed Allocation & Incentives

Proposed Allocation*			Incentive		Approx. Installations	
Type	% of Available Funding	Amount	Level 2	Quick Charge	Level 2	Level 3
Universities & Workplace	20%	\$ 280,000	\$ 4,000	\$ 4,000	70	
Company fleets	15%	\$ 210,000	\$ 4,000	\$ 4,000	53	
Governmental public areas	15%	\$ 210,000	\$ 4,000	\$ 4,000	53	
Major transportation corridors	25%	\$ 350,000	\$ 4,000	\$ 37,500	88	9
Commercial and retail	25%	\$ 350,000	\$ 4,000	\$ 4,000	88	
Total	100%	\$ 1,400,000	Est. Cost (incl. install.)		\$ 8,600	\$ 76,000

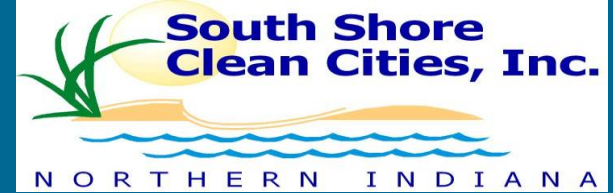
*Includes the cost associated with providing hourly metering capabilities for each station. The cost of metering will be paid by Utility. In addition, allocations above are preliminary. Final allocation percentages will be determined through stakeholder meetings.



Targeted Community Rebate Program

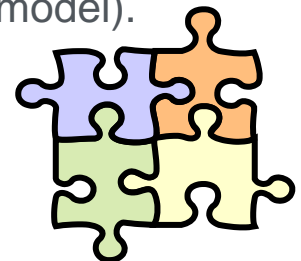
- Up to 50% of estimated average installation cost
 - Level 2 = \$4,000 (tentative)
 - Level 3 = \$37,500
- Community Partnerships
 - Market Study and Utility rebates can be the catalyst for obtaining grant money for communities
 - Annual evaluation to redistribute funding and incentives based on market response
- Market to target areas and private companies to partner and leverage funding
 - Private company usually streams % of revenues to host site
 - Open to anyone
- Program Administrator to coordinate and administer incentive program

Phase II : Building on the Residential Base



Additional \$2M Budget

- Focus on the deployment of public charging stations
 - Use Infrastructure Plan to target location and amount of additional public PEV charging stations
 - Explore commercial and fleet opportunities
- Incentive for employee workplaces, company fleets, municipalities, commercial/retail establishments, and along major transportation corridors
 - Provide approximately \$1.4 million of financial incentives in the form of rebates or vouchers.
 - All charging stations receiving a Utility contribution will be required to obtain and provide hourly usage data to Utility
- Leverage Utility's Investment
 - Build on partnerships and assist in obtaining grants to leverage investment
 - Utility to provide seed money for larger opportunities
 - Potentially partner with communities on packaging EV Infrastructure to 3rd party to own & operate as well as bring in additional capital for further deployment (i.e. Chicago model).



4th Quarter: (October – December)

1. Issued RFPs (10/11/11)
2. Begin PEV Market Study (11/18/2011)
3. Phase I – Evidentiary Hearing (11/30/2011)
4. Finalize Project Plans with EPA

1st Quarter: (January- March)

1. Finalize PEV Infrastructure Plan
2. Issue Diesel Emission Reduction RFP out to communities
3. Begin incentive program for residential home charging stations
4. Issue RFP for Administrator of Public and Fleet PEV Charging Stations

2nd Quarter: (April – June)

1. Begin implementation of Diesel Emission Reduction Project

3rd Quarter: (July – September)

1. Begin incentive program for additional public charging stations and fleet charging stations